

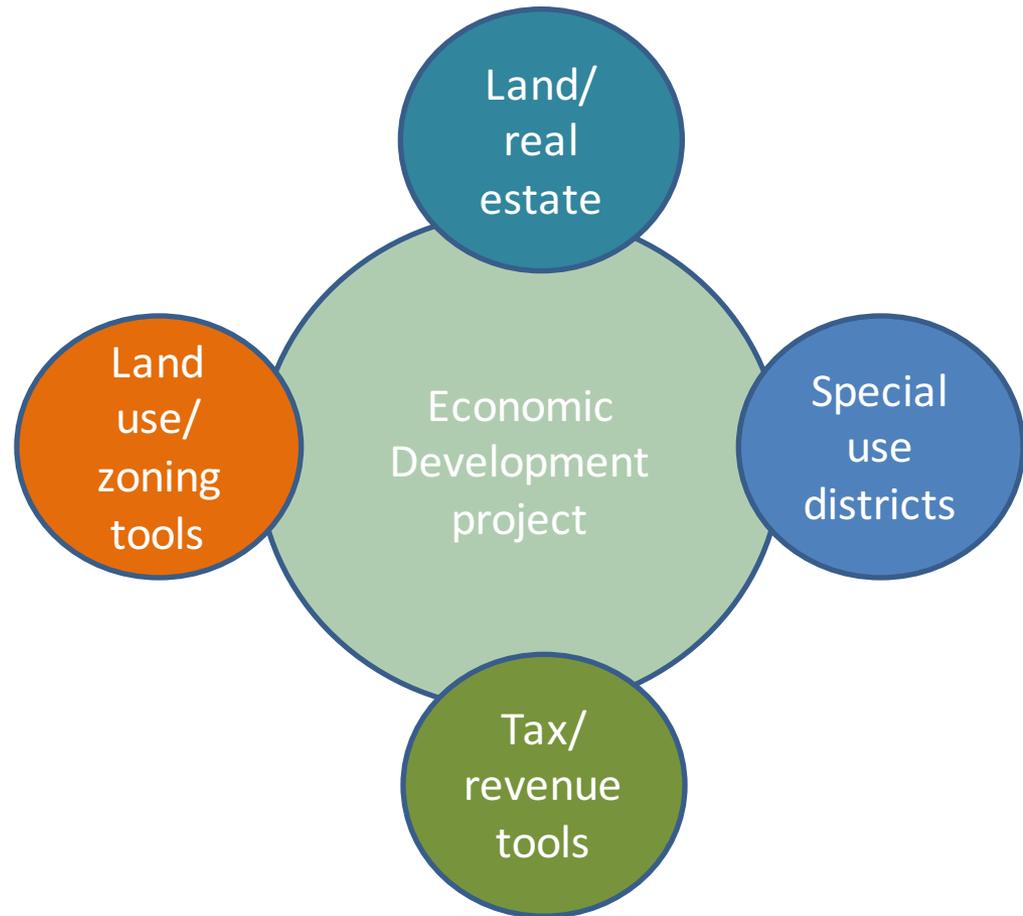
TIF and Economic/Racial Disparities

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Value capture as a development tool

- Collective benefit of economic development toolbox
- Special taxing districts
 - Redirect future revenue for present benefit
 - BID, CID, NID, TDD, TIF
- Critiques focus on equity and inclusion



TIF and redevelopment policy

- The arguments for TIF are compelling
 - Attracting new development
 - Removing blight
- What about redistributive effects?
 - Are incentives used differently according to economic disparities?
 - Did incentives reduce neighborhood stress?



TIF in St Louis County, MO

- St Louis County is largest TIF using county in state
 - Leveraged \$1.6 billion a/o 2103
 - Represents 56% of entire state
- TIF has become defacto proxy for planning

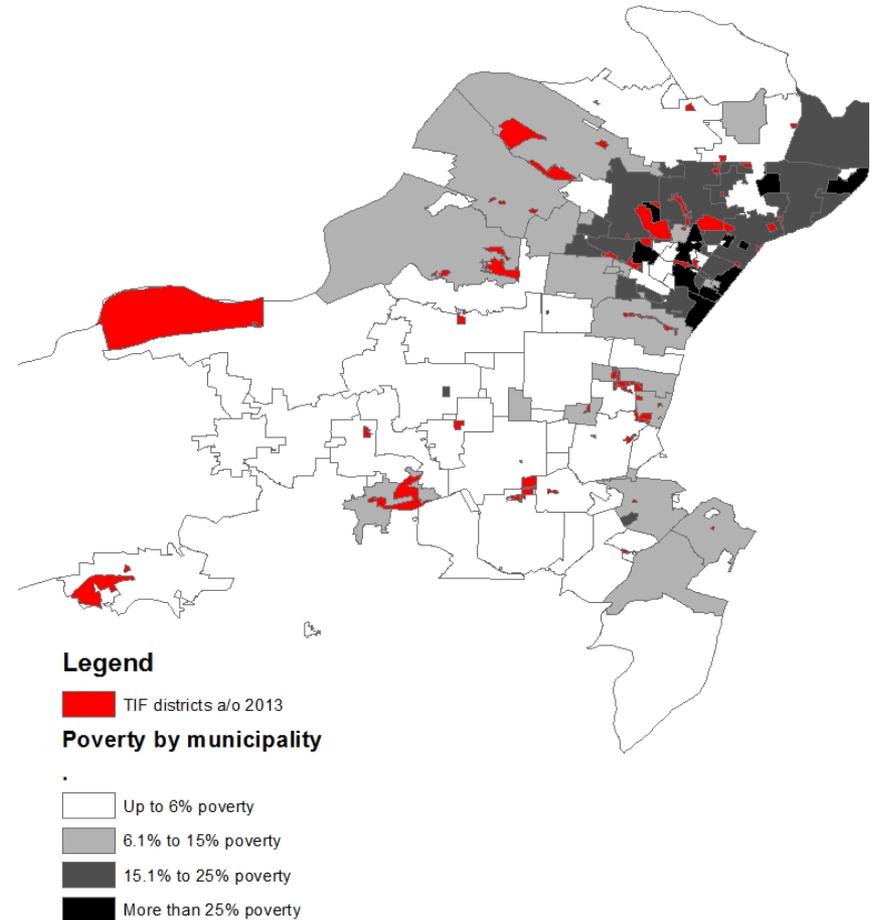


Typology of TIF in St Louis

| | |
|-------------------------------------|--|
| Hotel-Convention | Primary use focused on large convention center projects that include hotels. |
| Infrastructure | TIF is structured as a district and funds pay for infrastructure, any use included, e.g. Lafayette Square. |
| Mixed Use - No Residential | Primary use focused on more than one use excluding residential, primarily retail and office but could include industrial and office. |
| Mixed Use - With Residential | Primary use focused on residential space with at least one other use, primarily retail but also including office. |
| Single Use – Hotel | Primary use focused on single use hotels, which are smaller than convention center projects. |
| Single Use – Industrial | Self explanatory use |
| Single Use – Office | Self explanatory use |
| Single Use – Residential | Self explanatory use |
| Single Use – Retail | Self explanatory use |

Distribution of TIF in St Louis County

- Of the 90 municipalities, 42 have at least one TIF district
 - 14% (60) municipalities approved their first TIF between 1985 and 1994
 - 55% (23) municipalities approved their first TIF between 1995 and 2004
 - 31% (13) Municipalities approved their first TIF after 2005



Economic Separation by Municipality

| All MO TIF projects* | Total | Low to very low concentrations of poor persons | | In-balance - reflecting regional proportion | | Moderate to very high concentrations of poor persons | |
|--|-------|--|--------|---|--------|--|--------|
| | | -2 to -4 | | -1 to 1 | | 2 to 4 | |
| Hotel-Convention | 1 | 1 | 100% | 0 | 0% | 0 | 0% |
| Infrastructure | 3 | 1 | 33.33% | 0 | 0% | 2 | 66.67% |
| Mixed Use – No Residential | 40 | 20 | 50% | 4 | 10% | 16 | 40.00% |
| Mixed Use - With Residential | 59 | 3 | 5.08% | 3 | 5.08% | 53 | 89.83% |
| Single Use – Hotel | 8 | 1 | 12.50% | 1 | 12.50% | 6 | 75.00% |
| Single Use – Industrial | 6 | 1 | 16.67% | 0 | 0% | 5 | 83.33% |
| Single Use – Office | 9 | 1 | 11.11% | 0 | 0% | 8 | 88.89% |
| Single Use – Residential | 28 | 0 | 0% | 1 | 3.57% | 27 | 96.43% |
| Single Use – Retail | 53 | 20 | 37.74% | 14 | 26.42% | 19 | 35.85% |
| *Reflects the time that the project was approved | | | | | | | |

Racial Separation by Municipality

| All MO TIF projects* | Total | Moderate to very high concentrations of non-white | | In-balance - reflecting regional proportion | | Moderate to very high concentrations of white persons | |
|---|-------|---|--------|---|--------|---|--------|
| | | -2 to -4 | | -1 to 1 | | 2 to 4 | |
| Hotel-Convention | 1 | 0 | 0% | 1 | 100% | 0 | 0% |
| Infrastructure | 3 | 2 | 66.67% | 0 | 0% | 1 | 33.33% |
| Mixed Use – No Residential | 40 | 15 | 37.50% | 20 | 50% | 5 | 12.50% |
| Mixed Use - With Residential | 59 | 52 | 88.14% | 5 | 8.47% | 2 | 3.39% |
| Single Use – Hotel | 8 | 6 | 75% | 2 | 25% | 0 | 0% |
| Single Use – Industrial | 6 | 4 | 66.67% | 0 | 0% | 2 | 33.33% |
| Single Use – Office | 9 | 8 | 88.89% | 1 | 11.11% | 0 | 0% |
| Single Use – Residential | 28 | 27 | 96.43% | 1 | 3.57% | 0 | 0% |
| Single Use – Retail | 53 | 18 | 33.96% | 20 | 37.74% | 15 | 28.30% |
| *Reflects the time that the project was approved, Of 231 Missouri TIFs in the database given to us by EWG, 207 had enough information to be put into a typology | | | | | | | |

Neighborhood Distress by Municipality

| *All MO TIF projects | Total | Moderately to very stable | | Average | | Moderately to very distressed | |
|--|-------|---------------------------|--------|---------|--------|-------------------------------|--------|
| | | -2 to -4 | | -1 to 1 | | 2 to 4 | |
| Hotel-Convention | 1 | 0 | 0% | 1 | 1 | 0 | 0% |
| Infrastructure | 3 | 1 | 33.33% | 0 | 0% | 2 | 66.67% |
| Mixed Use - No Residential | 40 | 15 | 37.50% | 7 | 17.50% | 18 | 45% |
| Mixed Use - With Residential | 59 | 2 | 3.39% | 4 | 6.78% | 53 | 89.83% |
| Single Use – Hotel | 8 | 1 | 12.50% | 0 | 0% | 7 | 87.50% |
| Single Use – Industrial | 6 | 1 | 16.67% | 0 | 0% | 5 | 83.33% |
| Single Use – Office | 9 | 1 | 11.11% | 0 | 0% | 8 | 88.89% |
| Single Use - Residential | 28 | 0 | 0% | 0 | 0.00% | 28 | 100% |
| Single Use - Retail | 53 | 16 | 30.19% | 13 | 24.53% | 24 | 45.28% |
| *Reflects the time that the project was approved | | | | | | | |

For all TIF projects between 1985-2013

- Economic and racial separation
 - **47%** were approved in moderate to very high non-white municipalities
 - 16% were approved in moderate to very high white municipalities
 - 21% were approved in low to very low poverty municipalities
 - **63%** were approved in high to very high poverty municipalities
- Municipal distress
 - 18% were approved by municipalities with moderate to very high stability
 - **66%** were approved by municipalities with moderate to very high distress
 - 22% were approved by municipalities with an overall decrease in neighborhood distress between 1990 and 2013
 - **78%** were approved by municipalities with an overall ***increase*** in neighborhood distress between 1990 and 2013

Financing affordability

- Wealthier communities initially use TIF to preempt distress
- TIF can be used creatively in distressed urban core areas e.g. affordable housing, subsidized retail development
- Broader capital improvement planning will support TIF investment



- Municipalities are using TIF to finance affordable housing, e.g. Chicago
 - Provides base investment
 - Incorporates affordable housing discussions into broader economic development activities
- Local government maintains more control over location of affordable housing allocation

Some concluding thoughts

- What if....
 - We can leverage value capture as a redistribution tool
 - We can use funds to counter effects of gentrification
 - We can use funds to support affordable housing trust funds
 - Promote senior housing, scattered site affordable housing
 - We can use funds to support public infrastructure and QOL initiatives
 - e.g. Green infrastructure, parks, arts, culture

